Name:	Date:	Class:	
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# Evaluating savings scenarios

There are many tools for storing your savings. Each has benefits and risks, depending on the situation.

# Instructions

- 1. Review the "Options for storing your savings" handout to learn about common savings options.
- 2. Review the five savings scenarios below and recommend a savings tool (or tools) that fits the needs and situation.
- 3. Give a clear reason why you chose the savings tool(s).

# Scenario A

Omar got a part-time job at a fast-food restaurant while he's going to community college. To save on rent, he's staying with different family members, so his home address changes often. His manager asked Omar if he wanted a paper paycheck or his earnings uploaded to a payroll card. What tool would you recommend?

# Recommended savings tool(s)

- **CD** (certificate of deposit)
- **<b>** Checking account
- & With friends and family
- **★** At home

- Money market account
- **■** Payroll card
- Savings account
- Savings bond

# Explain your choice(s)

#### Scenario B

Shanice's grandmother died recently. Her will left Shanice \$2,000. Shanice plans to go to graduate school in three years and wants to use her grandmother's money for books. Which savings tool would probably help her earn the highest rate of interest and still give her easy access to the money when she needs it in three years?

#### Recommended savings tool(s)

- **CD** (certificate of deposit)
- Checking account
- & With friends and family
- At home

- Money market account
- **⊟** Payroll card
- Savings account
- Savings bond

# Explain your choice(s)

# Scenario C

A traveling soccer team made \$3,542 selling cookies. They plan to use this money to go to the a large national tournament. They're planning other fundraisers to add to this amount. The team realizes this is too much money to keep at one person's home, and they want to put the funds in an insured depository institution. Their coach will need to write a few checks for transportation and meals at the tournament. What savings tool would you recommend for the team?

#### Recommended savings tool(s)

- CD (certificate of deposit)
- **f** Checking account
- & With friends and family
- ★ At home

- Money market account
- 🖹 Payroll card
- Savings account
- Savings bond

# Explain your choice(s)

#### Scenario D

Calvin and Carly are expecting their first child in two months. They're wondering what type of savings tool to use to save money for college expenses 18+ years from now. What would you recommend for Calvin and Carly?

#### Recommended savings tool(s)

- **CD** (certificate of deposit)
- **f** Checking account
- & With friends and family
- At home

Money market account

- **⊟** Payroll card
- Savings account
- Savings bond

Explain your choice(s)

# Scenario E

Brennan is excited about his new summer job as a lifeguard. In the past, he's mowed lawns and put the money he earned in his bedroom dresser. Now that he'll be earning more money, he wants a more secure place to store his savings. Brennan will need to pay for gas and lunches and thinks having an ATM card is a good idea. Knowing Brennan needs to withdraw money each week, what tool would you recommend?

# Recommended savings tool(s)

- CD (certificate of deposit)
- **A** Checking account
- & With friends and family
- ★ At home

- Money market account
- **⊟** Payroll card
- Savings account
- Savings bond

Explain your choice(s)